

**A STUDY OF SUPPLY CHAIN AND DISTRIBUTION OF HANDLOOM SILK
INDUSTRY WITH REFERENCE TO SALEM DISTRICT IN TAMILNADU**

Submitted in partial fulfillment for the requirements of the degree

MASTERS OF BUSINESS ADMINISTRATION

in

Port and Shipping Management

Submitted by

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DECLARATION

I, **JAGANKUMAR R** (Reg. No 2003304016), hereby declare that the project report on " Study of Supply Chain and Distribution of Hand Loom Silk Industry with Refer to Salem DT " Submitted to **Indian Maritime University, School of Maritime Management, Chennai** in partial fulfilment of the requirements for the award of degree **Master of Business Administration** in Port and Shipping Management, under the supervision of **Dr. Lekha Ravi**, Assistant Professor, School of Maritime Management, Indian Maritime University, Chennai.

This submission represents idea of mind in my own words and where ideas or words of other have been included. I have adequately and accurately cited and referred the original sources.

Place: Chennai

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Above all, my prayers and thanks to the "almighty" without whom the work would not have materialized.

- JAGANKUMAR R

Certificate

School of Maritime Management Indian Maritime University, Chennai.

This is to certify that the project report entitled "STUDY OF SUPPLY CHAIN AND DISTRIBUTION OF HANDLOOM SILK INDUSTRY WITH REFER TO SALEM DT.", submitted to the School of Maritime Management, Indian Maritime University, Chennai Campus., in partial fulfillment for the award of the degree of Master of Business Administration in Port & Shipping Management/International Transportation and Logistics Management, is a record of work carried out entirely by JAGANKUMAR R Reg. No. 2003304016.

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EXECUTIVE SUMMARY

A STUDY OF SUPPLY CHAIN AND DISTRIBUTION OF HANDLOOM SILK INDUSTRY WITH REFERENCE TO SALEM DISTRICT IN TAMILNADU

This project mainly focuses at determining how much effect certain factors pertaining to retailing of the silk handloom industries in Salem (a district in Tamilnadu) affect the buying behavior of the customers. many researchers have did this earlier but this project is unique in the way that the factors that are taken in the consideration are either hand loom silk industries and power loom industries. This project has been made to analyze the problem of silk industry in Tamil Nadu. The project includes the analysis of various discrepancies of the industry like finance and marketing (Customer reach). It also makes attempts to study the impact of the growth of the silk cooperative societies.

The project is done by collecting the data from random 62 people like retailers, customers, and exporters and how much they are aware about this industry, then the data is analyzed to know how the hand loom silk industries are affected by the power loom industries. This is much helpful to the hand loom experts , what are the problems they face , and how to rectify it , on the whole the data is much useful to the hand loom weaver in Salem . The main problem identified are its seasonal fluctuation in demand and highly irregular credit collections.

As a result both the handloom experts and power loom experts will have a positive benefit from the findings of the study. It is not only helpful for traditional silk houses, it is also helpful for modern silk houses.

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CHAPTER-1

INTRODUCTION:

Meaning:

India's liberalised financial and political climate has inspired a flood of new entries into the country's fast rising retail business in recent years; without a question, India's retail industry is undergoing fundamental upheaval. The basic drivers of change include rising per capita income, rising GDP, and consumer credit availability, all of which are irreversible. Retailing, in its broadest definition, refers to the buying and selling of products and services to end users for their personal consumption, and includes anything from bread butter to vehicles to garments to airline tickets. Retail is the second largest sector in India, behind agriculture, in terms of providing enough jobs for the Indian populace. However, shopping in India is at a fork in the road. On the one hand, retail sales continue to rise year after year, while traditional Indian retailers confront a slew of issues. Experts believe that retail expansion will outpace India's GDP growth in the next five to seven years, owing to changing lifestyles and strong income growth, which will be bolstered by favourable demographic patterns and the extent to which organised retailers succeed in reaching potential consumers at the bottom of the consumer pyramid. Consumer demand will be boosted by the use of plastic money and the simple availability of consumer credit. A large portion of India's young population now prefers branded items. The growth of satellite television and visual media has transferred urban lifestyle styles to rural areas as well. The Indian middle class's buying spree, particularly among the young, for apparel, dining outside, and yearning for modern living styles has opened up new retail opportunities even in rural regions. As a result, 85 percent of the retail growth that was previously exclusive to urban areas has begun to spread to smaller cities and villages. Retailers are already paying close attention to Tier-II cities, and other smaller towns and villages are expected to follow suit This is a favorable trend, and these tier-II cities' share of total organized

20-25 percent by 2020. Retailing is arguably the dominant type of disguised unemployment/underemployment in the country, which is one of the main reasons for its growth and fragmented character in the country. 3 Many millions of Indians are effectively driven into the services industry due to the already overcrowded farm sector and stagnant industrial sector, as well as the difficult nature and relatively low earnings of work in both.

History of silk:

Kanchi silk weavers are descended from Sage Markanda, the Gods' master weaver who is said to have made tissue from lotus fibre, according to Hindu legend. Also, whereas Lord Shiva's favourite cloth is cotton, Lord Vishnu prefers silk. Pure mulberry silk thread is used to weave the sarees. The kanchipuram saree is made with 100% pure mulberry silk from South India, and the zari is from Gujarat. Three shuttles are needed to weave a kanchipuram saree. While the weaver is working on the right shuttle, his assistant is working on the left shuttle. The border is frequently a distinct colour and pattern than the body. If the pallu (the sari's hanging end) needs to be woven in a different colour, it is weaved separately first, then gently connected to the sari. A zigzag line frequently marks the point where the body joins the pallu. [9] The body and border of a genuine kanchipuram silk saree are weaved separately and then linked together. The border will not separate even if the saree tears since the junction is so robust. This is what sets the kanchipuram silk saree apart from the rest. The broad contrast borders of saris differentiate them. Traditional kanchipuram saree patterns include temple borders, checks, stripes, and flowery (buttas). The kanchipuram saree's patterns and decorations were influenced by pictures and texts found in South Indian temples, as well as natural elements like foliage, birds, and animals. These sarees have a richly woven pallu with Raja Ravi Varma's paintings and epics from the Mahabharata and Ramayana. The cost of a Kanchipuram saree varies greatly based on the level of detail in the work, the colours used, the design, and the type

of material used, such as zari (gold thread). The silk is also noted for its craftsmanship and fineness, which has contributed to its popularity. Kanchipuram sarees made of rich silk and gold material are regarded exceptional and are worn for important events and celebrations. The Tamil Nadu government sought for a Geographical Indication for Kanchipuram sarees in 2005, and the Government of India formally recognised it as a Geographical Indication in 2005-06. The Kamatchi Amman Organization, the first co-operative society of weavers, was founded in 1949. This club had 79 weavers who received financial assistance as well as other perks. Over time, more and more co-operative societies arose. There are roughly 24 co-operative societies in the country today, the majority of which are run by the government. Tamilnadu is a state in India. The Kamatchiamman silk society, varadharaja swamy silk society, and others are among the seeming co-operative associations of weavers. The Kamatchi Amman Society is presently one of the largest, with over 2000 members. There are around 50000 weavers who operate via private dealers like as Nalli Silks and Sri Kumaran Silks in Chennai to buy silk sarees from independent weavers in Kanchipuram and Salem and distribute them to other cities in India and beyond.



Fig.1

Now, The silk and salem industries in Kanchipuram and Salem now primarily function in two ways.

1. Through cooperative associations
2. through private traders

According to current statistics, there are around 60000 silk looms in operation in Salem, with more than 65000 silk looms in Salem. The town's annual sales surpasses Rs. 200 crores, with exports of over Rs. 3 crores. Experts believe that exports have not reached their full potential since saree demand outside of India is limited. The industry is considering product diversification, which would result in an increase in exports. To appeal to their youthful clients, several units have begun weaving churidar sets in recent years. Some units are exploring furniture manufacture. The majority of Germans are interested to purchase silk sarees to decorate their interior home walls and to utilise as wall panels for special occasions, such as festivals.

A great deal of research has gone into making the manufacturing process more technologically sound, quicker, and better. Computers are increasingly being used to create designs these days. Many alterations have been made to the salem saree as customer preferences for low-cost, light-weight sarees, simple patterns, and light colours have grown. The body of the saree is made from a combination of silk and cotton by weavers. Cotton is sometimes used for the body of the saree and silk for the border. Some weavers also weave borders using a blend of silk and polyester. The amount of gold and silver in the zari is also being lowered to save money. The saree's price is greatly reduced as a result of this. These practises have harmed the reputation of Salem silk sarees and are affecting their sales. The Tamilnadu government, TIFAC (Technology Information Forecasting and Assessment Council), and Tamilnadu Zari have collaborated to build a zari testing laboratory in Salem, which would evaluate the gold and silver content of zari. This resource is available to both co-operatives

and individuals for a small price The Weavers Service Centre in Salem, which is part of the Ministry of Textiles, offers training and consulting services in design and modernization to help weavers improve their skills and produce new saree patterns to appeal to domestic and international buyers. Due to factors like as stockpiling and a decrease in operational capital, co-operative societies are increasingly offering saree discounts. These sarees are also eligible for a government reimbursement. Furthermore, the Union Government provides monetary credit to these organisations. These cooperative societies are now opening to market their products in order to increase sales and decrease accumulation. The application for geographic indication registration of the TheTamilnadu government has designated Salem as the name of a silk saree. According to these guidelines, every saree marketed as a salem saree must meet particular weight and zari requirements, and it must have been made in the region. Anyone selling a replica saree as a salem saree might face legal action. The Tamilnadu government plans to give salem silk sarees a unique emblem to guarantee their legality and protect the weavers' livelihoods. This business has recently experienced a dilemma due to the availability of counterfeit ellampillai silk sarees. The government has launched a campaign to end child labour in the salem silk sector. This movement entails committees have been formed to scrutinize saree-producing units Child labour has been filed against certain loom 6 owners in their loom region. To prevent the employment of child labour, the government has created equipment that acts as a helper. The salem silk industry has managed to withstand several highs and lows and has established a global presence. Nonetheless, the major obstacles it has today are adapting to changing client tastes, using contemporary technologies, and expanding product lines. Salem is regarded as a textile city because of its long history and weaving industry. The sarees wove in this town famously came to be known as elampillai silk sarees, which is called as "Queen of all sarees" in India and all over the world. It is a unique form of saree with a rich and classic appearance. Because of its better production quality and shine, it is also costly.

1.1 Objectives of the study:

1. To study the sources and supply of raw material in the silk handloom sector
2. To analyze the problems and issues in unorganized supply chain of silk handloom industry in salem
3. To study the marketing problems of pure silk handloom weaving industry of Tamil Nadu

Limitation of the study:

1. Generally, the literature on the subject of "the current state of the hand loom silk business" is quite scarce.
2. The majority of the available data is combined with cotton handlooms, sericulture, and silk exports.
3. However, it lacks sufficient information about the silk handloom industry's growth and development.
4. For the aim of his investigation, the researcher was able to obtain the necessary information from the cooperative sector. However, there were no published data on the private sector, such as master and independent weavers.
5. Even the Tamil Nadu government's Directorate of Handlooms and Textiles lacks appropriate data on private sector manufacturers. While conducting the master weaver sample survey,

6.The research was given broad information about their firm, such as the number of weavers under their supervision, production specifics, marketing issues, financial sources, and so forth.

7.They have, however, refused to provide the researcher with their DOCX financial accounts for the purposes of his inquiry.

1.1Literature review:

Authentic records of historical features of Paithani may be found in several Imperial gazetteers of India, Princely state gazetteers, and State gazetteers. Historical references to Paithan, Yeola, Paithan and Yeola silk trade, Paithani and other silk brocades, and their social and economic histories can be found in the aforementioned gazetteers, dating from 1883 to 1977. The Gazetteer of the Bombay Presidency, Vol. XVI (1883), the Gazetteer of the Bombay Presidency, Vol. I, Part I on History of the Konkan Dakhan and Southern Maratha Country, 1896, and the Gazetteer of the Bombay Presidency, Vol. I, Part I on History of the Konkan Dakhan and The Imperial Gazetteer of India, Vol. I, Part II on Early Historical Times to The 'Musalman' Conquest of 1318 AD (1896), The Gazetteer of the Bombay Presidency, Vol. I, Part II on Early Historical Times to The 'Musalman' Conquest of 1318 AD (1896), The Imperial Gazetteer of India,

Ramanathan Ram (2014) Salem silks have created a brand value and attract customers from all over the world, according to Consumer Patronization Through Effective Category Management in Silk Saree Retailing in Salem Town.

RKalaiyarasi (2014) Salem silk sarees are particularly attractive and elegant among silk sarees that are favoured by women, according to an empirical research of their preferences and buying behaviour among women customers in Vellore town. This is due to their dazzling borders, contrast colours, originality, and finishing.

Salem sarees, according to BabuRao (2004) Development of X-ray fluorescence-based methodology for quality control of zari used in silk sarees, maintain a very high market share and distinguished position in the minds of customers because of their bright colours, borders, and jari made of gold coated silver thread.

Salem Sari as Heritage: Artisanry and the Politics of Culture and Technology, Aartikawtra (2013). According to the author, the Geographical Indication (GI) granted to salem sarees has raised brand awareness among buyers, allowing them to recognise and distinguish it from other types of sarees. Salem sarees are also utilised to make acceptable dancing outfits, according to the author.

ICT for the Renewal of a Traditional Industry: A Case Study of Salem Silk Saree, B. Bowonder and S. V. Sailesh. According to the author, the implementation of information and communication technology (ICT) in the salem silk industry has provided new chances for weavers to build novel computer-aided weaving designs and attract clients from all over the world

KasinathanKumarguru (2001) Traditional and CAD-based silk saree design and production in a sustainable way. According to the author, the implementation of innovative computerised jacquard technology known as CAD/CAM in the salem saree production process has increased output and demand in the market. The author has also described the salem saree industry's process work flow. South Indian ancestors Bhasin, Jyoti (2009). South Indian ancestry. Tamil Nadu Salem Sarees The beautiful weaving and feel of Salem Sarees have held women in their spell for the past 150 years, according to the author of this study. These sarees, created with great skill by the artisans, depict South Indian history.

1.1. Project approach:

A research project may be defined as a methodical inquiry of something and the presentation of numerous variables in order to reach a correct conclusion. This approach entails stating the problem, creating a hypothesis, gathering facts or data, evaluating the data, and arriving at specific conclusions, either in the form of a solution to the situation at hand or generalisations for certain theoretical equations.

Research methodology is a method for solving a research topic in a systematic fashion; it may be thought of as a science that studies how things are done scientifically. To put it another way, research methodology is the detailed plan of action for a study that outlines how data will be collected, processed, and evaluated.

Data :

Data may simply be defined as a collection of facts and statistics for reference or study. The first goal of every research project is to gather the necessary data on the study topic. There are two forms of information:

- 1. Primary data**
- 2. Secondary data**

Primary data:

The term "primary data" refers to information gathered directly by the researcher using various ways while keeping the research in mind. Because the main data is unique and related to the research study's issue, the degree of accuracy is quite high. Interviews, telephone surveys, focus groups, and other methods can all be used to obtain primary data. It can also be gathered via emails and postal letters across national borders. It can encompass a big geographical area and have a large population. Furthermore, primary data is current, and it might provide a more accurate picture of the issue to the researcher. Primary data are those that are acquired for the first time and are thus new. Characteristically, they are unique. The information is gathered in order to meet a certain study goal. A range of methodologies can be used, ranging from qualitative research to surveys to experiments.

Secondary data:

Secondary data Secondary data is the polar opposite of primary data, since it is derived from sources that contain information gathered by other researchers through their own studies, surveys, or experiments. Secondary data was gathered via looking through yearly reports and websites, as well as published reports from a variety of organisations.

The key benefit of secondary data is that it is less expensive and easier to get. Second, it gives a means of accessing the work of the world's top researchers.

Third, secondary data helps the researcher decide which route he or she should go for the given inquiry.

Fourth, secondary data save time, effort, and money while increasing the research study's worth.

Only when a correct approach is used can data become information. As a result, methodology is a tool that converts data into accurate information. The development of the research project design, often known as "research design," is a serious challenge that follows the process of defining the research problem. A research design is nothing more than a framework or strategy for a study that directs data collection and analysis. It is the blueprint for finishing a research project. It seems like a blueprint for a house designed by an architect. It is the project's overarching Operation Pattern that specifies what information is to be collected from which source and by what technique .A research design is an arrangement of conditions for data collection and analysis with the goal of combining relevance to the study purpose with procedural economy

There are several sorts of study designs, including:

- 1 .Descriptive Research design
- 2.Exploratory Research Design
- 3.Experimental Research Design

Descriptive research design:

Descriptive study is a research approach that outlines the characteristics of a population in a certain region or a phenomena under investigation. This technique emphasises the "what" rather than the "why" part of the study topic. To put it another way, descriptive research focuses on explaining the characteristics of a demographic segment rather than "why" an event happens. In other words, it "describes" the research topic without explaining "why" it occurs. For example, an apparel company that wants to learn more about fashion purchase tendencies among Indian consumers will perform a demographic survey of the region, collect population statistics, and then undertake descriptive research on that demographic segment. The research will then reveal details on "what is the purchase pattern of Indian shoppers," but will not delve into "why" the trend exists. Because the apparel business is attempting to break into that industry, the study's goal is to better grasp the characteristics of that market.

Exploratory research design:

Experimental study is a scientific method of inquiry in which one or more independent variables are changed and then applied to one or more dependent variables to see how they affect the latter. The effect of independent variables on dependent variables is frequently observed and recorded over time to help researchers come to a plausible conclusion about the link between these two types of variables..

In the physical and social sciences, education, and psychology, the experimental research approach is frequently employed. It is based on a simple logic that compares two or more groups, but it can be challenging to implement.

Experimental research designs are usually associated with laboratory test procedures and entail gathering quantitative data and performing statistical analysis on it during the study process. As a result, it is an illustration of a quantitative research method

Experimental research design:

When the researcher has no prior data or only a few studies to refer to, an exploratory research design is used to solve the problem. This research is sometimes unstructured and informal. It's a preliminary research tool that gives you a hypothetical or theoretical understanding of the study problem. It will not provide specific, concrete solutions to the research challenge. This study is carried out to determine the nature of the problem and to aid the researcher in gaining a better knowledge of it. Exploratory research is adaptable and serves as a foundation for future study. Exploratory research

entails looking into a variety of sources, including public secondary data, data from other surveys, observation of research objects, and personal perspectives.

Mode of data collection:

The data is gathered utilising a set of questions that have been designed to inquire and collect responses from respondents about the research topic. Individuals must respond to a series of questions, which are either printed or electronic in nature. The responses can often be written in vacant spots on the forms. Groups are given sets of these forms, and the answers are collected in relation to the research topic. A questionnaire is a set of questions provided to people in order to gather statistically meaningful information about a specific issue. When properly developed and conducted, surveys become an important tool for making statements about specific groups, individuals, or entire communities. Inappropriate questions, inappropriate question sequencing, incorrect scale, or other issues. Pretesting among a smaller selection of target respondents is a valuable way for reviewing a questionnaire and ensuring that it is accurately capturing the intended information. In a study or survey, respondents are asked questions that are designed to extract certain information. It has two primary functions:

- (1) To gather the necessary information,

- (2) Make data comparable and analyzeableby,

CHAPTER-2

PERFORMANCE OF SILK HANDLOOM INDUSTRIES

Geographical coverage:

The study covers the entire silk handloom weaving centres in eight Taluks of salem district, such as salem taluk, salem west taluk, salem south taluk ,gangavalli taluk, attur taluk, sankiri taluk, valapady taluk, pethanaikanpalayam taluk.

Post scenario:

(The Kamatchi Amman Society, the first co-operative society of weavers, was founded in 1949.) This club included 79 weavers who received financial assistance as well as other perks. Over time, more and more cooperative societies arose. There are roughly 24 co-operative societies in the country today, the majority of which are run by the government. Tamilnadu is a state in India. The Kamatchi Amman Silk Society, Murugan Silk Society, Varadharaja Swamy Silk Society, and others are among the purported weavers' cooperative associations. The Kamatchi Amman Society is presently one of the largest, with around 2000 members. Approximately 50000 weavers operate through private traders such as Nalli Silks and Sri Kumaran Silks in Chennai to acquire silk sarees from independent weavers in Salem and distribute them to other cities in India and beyond. This fabric can be found in a variety of traditional and religious events. Salem silks have been a primary source of income for many people in Salem.



Fig2:

Evaluation of people behind the art:

Several traditional and religious rites feature fabric as a prominent feature. Salem silks acted as the primary source of income for many people in Salem. All of the texts are described in detail on the silk, which is embossed on the walls of Salem's temples. Salem silk has evolved in terms of style and pattern over time, yet it has maintained its allure. Originally offered only by merchants around the world, actual weavers have formed cooperative associations to market their woven salem silk.



Fig3:

The making and style:

The Kanjeevaram silk is made from silk obtained from the sericulture of the mulberry worm. The 1.2-inch warp frame may accommodate up to 60 holes through which the 240 warp threads would be weaved.

The wept would be woven with 250-300 threads. This permits the saree to maintain its strength and quality. The zari used in a Kanjeevaram silk saree is usually gold and silver, with the silver running in first and the gold coating applied subsequently. To create the best assortment, the sarees made from this silk are generally hand weaved. In recent years, the legendary weavers of Salem have perfected the art of transforming this fabric into exquisitely patterned sarees. The scriptures and the art of Salem's temples inspire the designs.

Salem silk began with 9-yard sarees that were woven to fit in with the culture of designing and patterning temple narrative. These sarees were changed to 6 yards over time using gold zari weaving. Salem silk sarees woven with imitation gold zari are now accessible to suit any budget, without sacrificing the exceptional splendour of this weave. Private traders in Chennai, such as Nalli Silks and Sri Kumaran Silks, buy silk sarees from independent weavers in Salem and sell them in other parts of India and beyond. The salem silk industry now mostly operates in two ways:

- 1.By forming cooperative societies
- 2.Private dealers are used.

In Salem, there are around 60000 silk looms in operation. The town's annual sales surpasses Rs. 2000 crores, with exports of around Rs. 3000 crores.

Co -operative societies:

These societies are administered by a group of people (weavers), and it is a well-organized industry in which they weave sarees using high-tech machines and earn a higher profit. These weavers are interdependent and cannot function independently.

Private traders:

These traders have their own mills and weave their own cloth; nevertheless, the fundamental difficulty is that they cannot buy silk on their own; instead, they must wait for the silk and thread to be provided by the society. This is the main issue.

Achievement of department in sericulture:

Tamil Nadu has maintained its dominance in the country and has improved on prior years' performance in the following areas: a) Cocoon Productivity is 73.900 kg per 100 silkworm layings. From 71.50 kg the previous year, this improved even more in 2014-2015. 49 b) Bivoltine silk accounts for 75.34 percent of overall production. From 63.45 percent in 2013-2014, the percentage of bivoltine silk has increased. C) Chawkie worms are supplied to farmers in 52 percent of layings, up from 32 percent the previous year. C) In 28 villages, the Cluster Promotion Program is being implemented. Cocoon productivity per 100 silkworm layings is 75.54 kilogramme, up from 73.40 kg the year before. E) In 2014-2015, the country produced 1207 metric tonnes of bivoltine silk.

Problems of silk industries in tamilnadu:

This industry is dealing with a number of issues. Among them are

1. Raw material supply is insufficient.
2. Raw silk prices fluctuate
3. Weavers are exploited by middlemen
4. Weavers are not employed on a regular basis.
5. Marketing and exporting facilities are lacking.
6. Weavers generally weave classic floral design fabrics and find themselves

unable to adapt their processes and designs in response to shifting fashion trends.

7. Because the majority of weavers are low-income, they face health problems, inadequate housing, limited educational opportunities for their children, and medical problems. With the aforementioned issues in mind, an adequate and timely supply of silk yam at reasonable rates is required for the industry's healthy expansion. Approximately 40% of weavers in this profession do not have looms, forcing them to labour on a daily pay and remaining idle when raw material supplies are insufficient. These weavers' average monthly salary is also quite poor, and they live in slum regions where they are prone to different ailments. As a result, the sector can only be lucrative if it imbibes the spirit of perpetual change in perception, taste, appearance, and size of completed products, as well as adapting to the global market scenario.

2.3 Geographical indications of salem:

The Tamilnadu government's application for Geographical Indication Registration of the salem silk saree was approved by the Central Geographical Indication Registry. According to these rules, any saree sold as a salem saree must meet particular weight and zari requirements, and it must have been made in the region. Anyone selling a replica saree as a salem saree could face legal consequences. To preserve the weavers' interests, the Tamilnadu government plans to assign a special logo to Kanchipuram and Salem silk sarees to confirm their authenticity. Due to the widespread availability of fake Kanchi and ellampillai silk sarees, this business has recently experienced a problem.

The government has launched an effort to end child labour in the salem silk business. Committees have been constituted to inspect saree-producing

factories as part of this initiative. Child labour has been accused of being used by some loom owners. The government has developed machinery that performs the function of a helper in order to discourage the usage of child labour. The salem silk business has weathered numerous ups and downs and has established itself abroad. However, the major obstacles it has today are adapting to changing client tastes, using new technologies, and expanding product lines.

Experts believe that exports have not reached their full potential because saree demand outside of India is limited. The sector is considering product diversification, which would almost certainly increase exports. Several units have begun weaving churidars. Some units are exploring furniture production. A great deal of research has gone into making the manufacturing process more technologically sound, faster, and better. Computers are increasingly being used to create designs. Many alterations have been made to the salem saree in response to rising consumer demand for low-cost, light-weight sarees with simple designs and light colours. The body of the saree is now made by weaving silk and cotton together. The saree's body is sometimes produced in cotton and the border in silk. Some weavers also weave borders using a blend of silk and polyester. The amount of gold and silver in zari is also decreasing. This significantly reduces the cost of the saree. These processes have harmed the reputation of Salem silk sarees and are having a detrimental impact on their sales. The Tamilnadu government, TIFAC (Technology Information Forecasting and Assessment Council), and Tamilnadu Zari have collaborated to develop a zari testing laboratory in Salem that verifies the gold and silver content of zari. By paying a small fee, both co-operatives and individuals can utilize this feature. The Weavers Service Centre in Salem, which is part of the Ministry of Textiles, offers design and modernization training and consulting. Due to factors like as stockpiling and a decrease in operational capital, co-operative societies are increasingly offering saree discounts. These sarees are

also eligible for a government reimbursement. Furthermore, the Union Government provides cash credit to these organisations.



Fig4:

2.3.1 Present scenario:

People nowadays have shown a lot of ingenuity when it comes to salem sarees. Chariots, peacocks, lions, coins, parrots, mangoes, and other motifs can be found on such sarees. Despite the fact that the salem saree industry is suffering from rising raw material and production costs, Salem Silk Sarees have become increasingly popular among women. In fact, an Indian woman's wardrobe should include at least one salem saree. According to current statistics, there are approximately 60000 silk looms in operation in Salem. The town's annual sales surpasses Rs. 2000 crores, with exports of over Rs.

300 crores. Experts believe that exports have not reached their full potential because saree demand outside of India is limited. The industry is considering product diversification, which would result in an increase in exports. To appeal to their teen age group of customers, certain units have begun weaving churidar sets in current times. Some units are exploring furniture production. The majority of Germans are interested in purchasing these silk sarees to use as wall panels and to decorate their interior house walls throughout the festival season.

FABRICS PIE

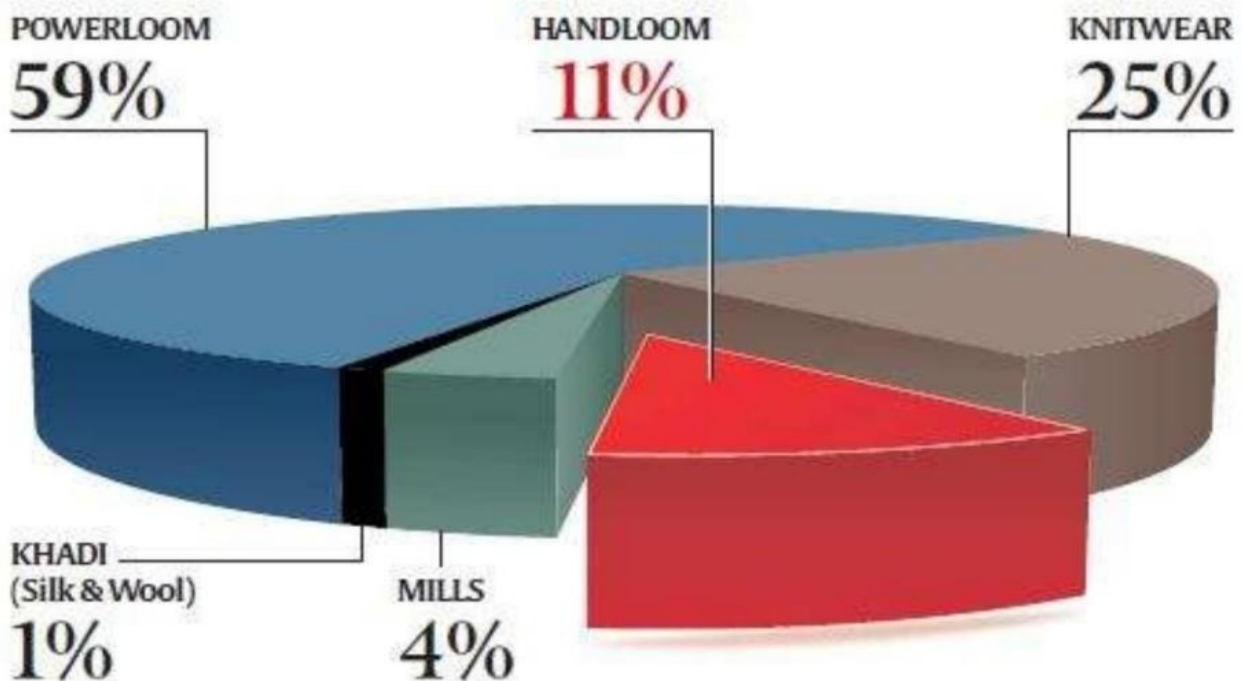


Fig5:

The salem silk industry has managed to withstand several highs and lows and has established a global presence. Nonetheless, the major obstacles it has today are adapting to changing client tastes, using contemporary technologies, and expanding product lines. Handloom was classified as "any loom other than a power loom" under the Handloom (Reservation and Articles for Production) Act of 1985, which covered 22 goods such as pure silk and cotton saris, lungis, dress material, and towels. In the mid-1990s, the list was pared down to just 11 entries. "Handloom implies any loom other than a power loom; and includes any hybrid loom on which at least one weaving process requires manual intervention or human energy for production," according to a new definition published in 2012.



Fig6:

The amount of gold and silver in the zari is also being lowered to save money. The saree's price is greatly reduced as a result of this. These practises have harmed the reputation of Salem silk sarees and are affecting their sales. The

Tamilnadu government, TIFAC (Technology Information Forecasting and Assessment Council), and Tamilnadu Zari have collaborated to open a zari testing laboratory in Salem, which would evaluate the gold and silver content of zari.

Due to factors such as stockpiling and a decrease in working capital, cooperative organisations are increasingly offering saree discounts. These sarees are also eligible for a government reimbursement. Furthermore, the Union Government provides cash credit to these organisations. These cooperative societies are now opening to publicise their products in order to increase sales and minimise inventory cheval



Fig7:

(Due to factors such as stockpiling and a decrease in operational capital, cooperative organisations are increasingly offering saree discounts. These sarees are also eligible for a government reimbursement.)

CHAPTER-3

CUSTOMER SATISFACTION LEVEL ON PRODUCT REACH & PRICING

purchasing mannerism in the middle of customer taking is the foundation of consumer behaviour. Customer contentment is a marketing word that is commonly used. It is a measure of how well a company's products and services meet or exceed consumer expectations. "The number of consumers, or proportion of total customers, whose reported experience with a business, its products, or its services (ratings) surpasses established satisfaction goals," according to the definition.

Customer happiness is one of the many aspects that influence the success (or failure) of a business. It's critical to keep track of this characteristic and seek to improve it in order to increase consumer loyalty and turn them into brand ambassadors.

As part of its continuing Common Language in Marketing Project, the Marketing Accountability Standards Board (MASB) approves the definitions, objectives, and structures of classes of metrics that appear in Marketing Metrics. A customer happiness statistic, according to a poll of almost 200 senior marketing managers, is highly beneficial in controlling and monitoring their firms.

It is frequently included in a Balanced Scorecard and is regarded as a critical performance indicator in the corporate world. Customer happiness is considered as a major differentiator in a competitive environment where firms fight for consumers, and it has increasingly become a fundamental

aspect of company strategy. The data collected from clients via a statement was useful in determining how knowledgeable they are about salem(ellampillai) silks and how they react to various situations.

The statement is converted into four factors :

- Product reach(Awareness)
- Pricing
- Productdesign
- Otherfactors.

Product Reach:

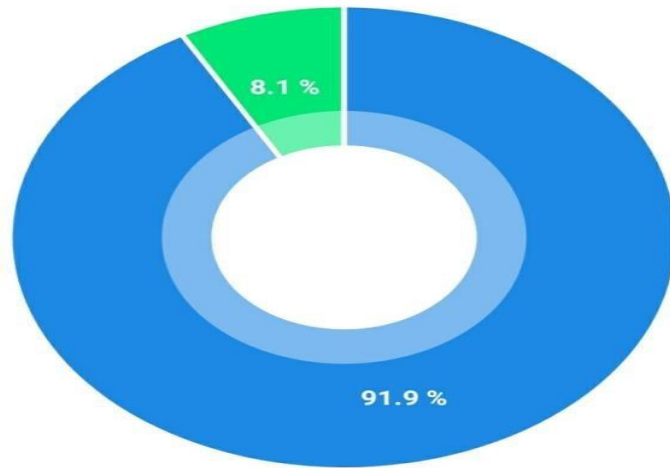
Essentially, in order to judge the degree of marketing success in any business, it is necessary to examine the reach and perception of the product in the minds of customers.

CHOICES	PERCENTAGE %	NO OF CUSTOMERS
YES	91.94	57
NO	8.6	5

Table.1

Out of 67 consumers, 91.94 percent of customers are aware of the product, but 8.6 percent are unaware of it.

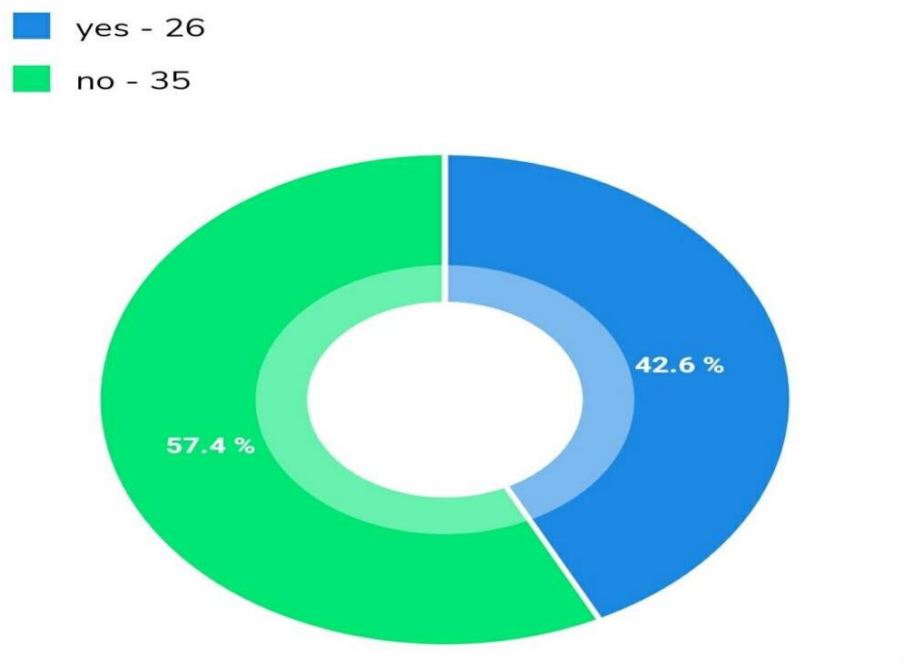
■ yes - 57
■ no - 5



CHOICES	PERCENTAGE	NO OF CUSTOMERS
YES	41.94	26
NO	56.45	35
NOT ANSWERED	1.61	1

Table.2

This pie chart depicts knowledge of original silks, which are traditional lotus fibre silks. This poll reveals that 41.94 percent of consumers are aware of authentic traditional lotus fibre silks, whereas 56.45 percent of customers are unaware of traditional silk. One consumer out of 66 was unresponsive.



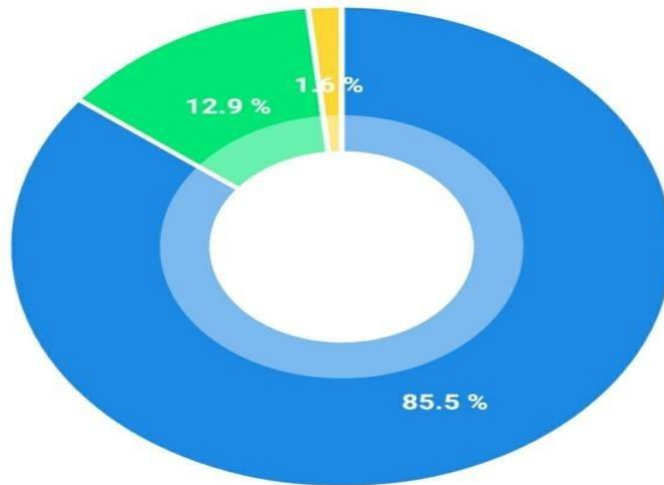
CHOICES	PERCENTAGE	NO OF CUSTOMERS
TRADITIONAL SILK HOUSE	85.48	53
READYMADE SILK SHOWROOMS	12.90	8
OTHER LOCAL SHOWROOMS	1.61	1

Table.3

This pie chart depicts where consumers choose to purchase salem silks. According to the survey, 85.48 percent of customers prefer the traditional silk house because they prefer to preorder sarees based on their idea. Based on consumer convenience, 12.90 percent of clients choose readymade silks

showrooms like Gayathri & Pachaiyappa & CKR silks display rooms. and 1.61 percent of clients choose to buy silks from other local showrooms since they are unsure whether silks are genuine.

- traditional silk stores - 53
- ready made show rooms - 8
- other local stores - 1



3.2. Pricing:

InSilk selling, particularly the salem(ellampillai) silks, has reached a pinnacle, with price based on consumer ease of buying (silks are like fixed deposits, especially the real gold zaree silks won't depreciate). That is why these folks are investing more in Salem silks.

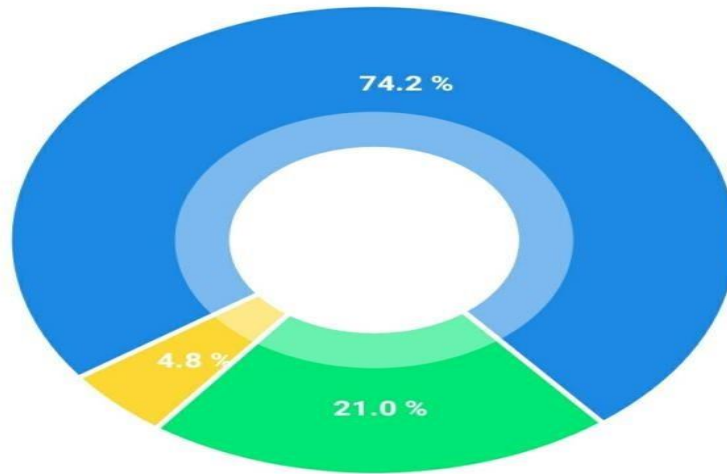
CHOICES	PERCENTAGE	NO OF CUSTOMERS
Below 50,000	74.19	46
60,000-100000	20.97	13
Above 100000	4.84	3

Table.4

This pie chart depicts the amount of money they spent. depending on the royalty and convenience of consumers Salem silks has many pricing categories based on client preferences. Customers specify the sort of zaree and designs for their silks. The price of silks fluctuates as a result of this.

In this graph, 74.19 percent of clients favour regular zaree and salem sarees with prices ranging from 10,000 to 50,000 rupees. and 20.97 percent of customers prefer middle class rate sarees, which range from 60,000 to 1,00,000 rupees depending on the type of zaree they want in sarees, and 4.84 percent of customers prefer premium rate sarees, which range from 1,00,000 to 1 crore, and feature peacocks, historical stories like the Amayana, and other special designs.

- below 50,000 - 46
- 60000 - 100000 - 13
- above 100000 - 3

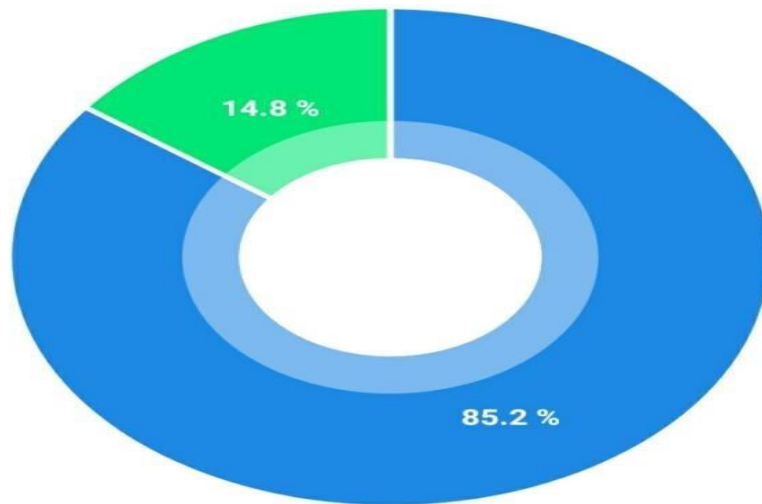


CHOICES	PERCENTAGE	NO OF CUSTOMERS
YES	83.87	52
NO	14.52	9
NOT ANSWERED	1.61	1

Table.5

This graph shows the consumers who are satisfied with the salem silks sarees price.

■ yes - 52
■ no - 9



The rate of salem silks sarees is 85.2 percent of customers are satisfied with the price, while 14.8 percent of customers are dissatisfied with the price of the silks, according to the poll.

CHAPTER 4

CUSTOMER PREFERENCE ON DESIGN & OTHER FACTORS:

Designs:

Customers are drawn to the saree designs, particularly the salem silks sarees, which tell hundreds of stories with their designs. Unique designs include mango, flowers, and peacocks, as well as historical puranas such as ramyana and bhavatgeetha and thousands of fresh patterns..

CHOICES	PERCENTAGE	NO OF CUSTOMERS
STRONGLY AGREE	41.94	26
AGREE	53.23	33
DISAGREE	3.23	2
STRONGLY DISAGREE	1.61	1

Table.6

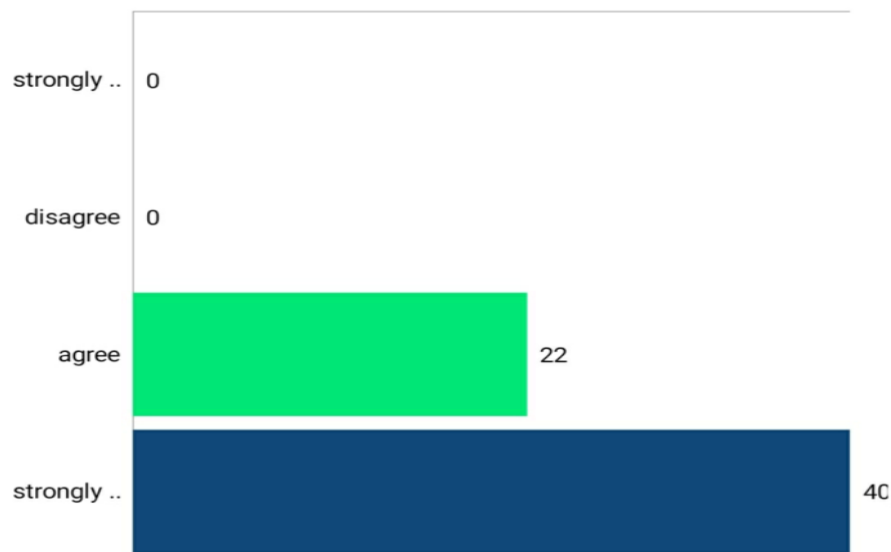
This bar chart clarifies that customers are aware of the special design of salem silks sarees, and that 41.94 percent of customers strongly agree about the special design, and 53.23 percent of customers are satisfied with the design. However, 3.23 percent of customers disagree with the arguments because they are unaware of the special designs, and 1.61 percent of customers strongly disagree with the argument.



CHOICES	PERCENTAGE	NO OF CUSTOMERS
STRONGLY AGREE	64.52	40
AGREE	35.48	22
DISAGREE	0.00	0
STRONGLY DISAGREE	0.00	0

Table.7

This chart explains that this salem silks design is a world-renowned one since these salem silks sarees only have these types of unique qualities. So 64.52 percent of customers strongly agree with the statement since they are well-informed about the salem silks, and 35.48 percent of customers are satisfied with the statement, and there is no negative side to this argument, as no one disagrees with the statement.



3.4 Otherfactors:

Among the factors are:

- Traditional hand-loom silks are in high demand.
- Annual Turnovers.
- Exports to other countries.

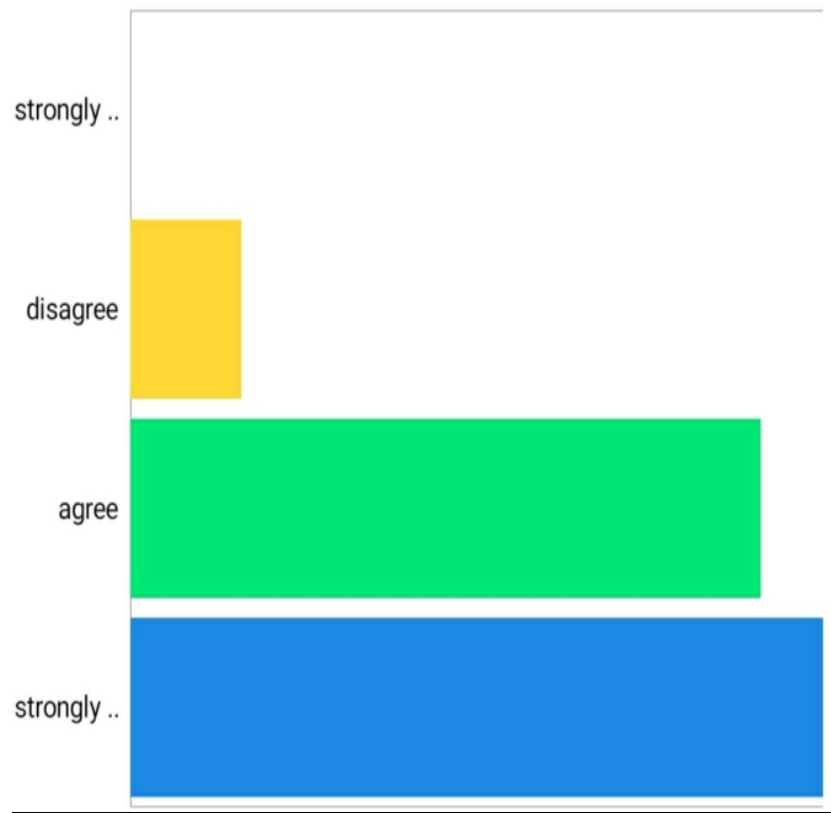
3.4.1. Demand for traditional handloom silks:

Traditional handloom silks from Salem Sarees are in higher demand across the world, and China buys vast quantities of silks at a high cost. Handloom silks are purchased in large quantities by China, Indonesia, Europe, and other European nations.

CHOICES	PERCENTAGE	NO OF CUSTOMERS
STRONGLY AGREE	48.39	30
AGREE	43.55	27
DISAGREE	8.06	5
STRONGLY DISAGREE	0.00	0

Table.8

According to this graph, 48.39 percent of customers strongly agree with the statement, 43.55 percent of customers are satisfied with the statement, and 8.06 percent of customers disagree with the statement. because they were unaware of the global demand



3.4.2 Annual turnover of salem traditional handloom silks:

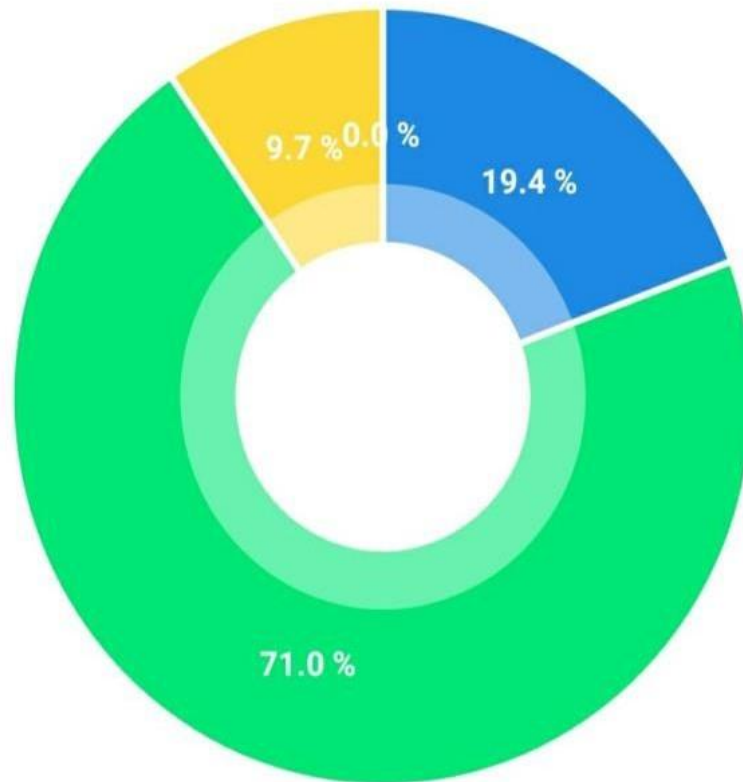
In Salem, there are over 120 organized power silk looming enterprises and 98 traditional handloom silks organizations, with a combined annual revenue of nearly 32000 crore. Power loomers are more prominent in the silk industry, and they are the rulers of silk exports. Hand loomers make a lower profit.

CHOICES	PERCENTAGE	NO OF CUSTOMERS
STRONGLY AGREE	19.35	12
AGREE	70.97	44
DISAGREE	9.68	6
STRONGLY DISAGREE	0.00	0

Table.9

This conversation is about the annual turnover of silk industries, and it shows that 19.35 percent of customers strongly agree with the statement because they are silk retailers in Salem, 70.97 percent of people are satisfied with the statement, and 9.68 percent of people disagree with the statement because they are buyers who don't know much about silk.

- strongly agree - 12
- agree - 44
- disagree - 6
- strongly disagree - 0



3.4.3 International export:

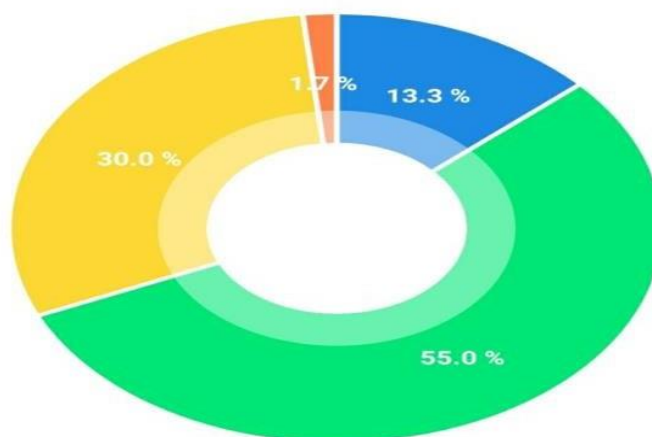
Many nations import salem silk sarees, particularly China, which imports large quantities of silks from Salem (ellampillai) and Kanchipuram. and certain nations such as Singapore, Europe, and others

CHOICES	PERCENTAGE	NO OF CUSTOMERS
STRONGLY AGREE	12.90	8
AGREE	53.23	33
DISAGREE	29.03	18
STRONGLY DISAGREE	1.61	1
NOT ANSWERED	3.23	2

Table.10

This graph shows that 12.90 percent of individuals strongly agree with the assertion concerning the export of silks from Salem. and 52.23 percent of people are satisfied with the point, whereas 29.03 percent of people are unaware of the point since they are regular consumers. 1.61 percent of the population disagrees with the statement. A total of 62 persons attended.

- strongly agree - 8
- agree - 33
- disagree - 18
- strongly disagree - 1



CHAPTER-5

SUMMARY AND CONCLUSION

After doing the investigation, several new facts in the field of handloom silk industries emerged, including the fact that current power loomers have far greater challenges. Silk weavers who weave by hand are still going strong.

5.1.1 Findings:

(i) Only handlooms are used to weave pure silk in Salem. Tamil Nadu has around 90,000 pure silk looms. In the past, both the federal and state governments have placed a greater emphasis on the development of sericulture rather than the silk handloom industry.

(ii) The many government policies and programmes designed to help the handloom sector throughout the years were originally meant for the cotton handloom business. The silk handloom business was finally incorporated into these programmes at a later time.

(iii) The silk handloom sector has had issues with raw supplies, financing, marketing, and rivalry from the art silk industry. All of these problems combined to result in widespread unemployment and underemployment among silk weavers.

(iv) The government saw a fully cooperative sector as the best way to solve all of the silk weavers' difficulties. The rise of the silk cooperatives in Salem has been spectacular since 1977. However, 12% of the silk looms in Tamil Nadu are not members of the Co-operative. In Tamil Nadu, the silk weaving industry is split between the cooperative and commercial sectors.

(vi)The silk cooperative sectors' performance falls short of the silk weavers' aspirations. If any of the organisations finds it difficult to keep the weavers employed due to a lack of working capital.

5.2 Suggestions:

Following the discovery of a wealth of knowledge from the silk industries, the handloom industries should raise awareness of handloom in silks and use marketing to attract clients.

After receiving input from consumers, silks retailers, and exporters, one thing is certain: silks customers are unaware of hand loom silks, which is the primary issue. Another thing is that hand loom industries should be promoted, since as the handloom silks industry grows, so does employment.

The silk handloom cooperative societies should be strengthened in order to assist the weaver community in adopting new design and technology as well as diversifying their goods in order to grab a larger market. Weaver communities should be given the assistance they need to innovate their manufacturing method technologically. Nearly 86 percent of member weavers believe that appropriate market assistance may help the silk handloom business thrive better. Nearly half of the member weavers believe that technological innovation and better design may help the silk handloom business in Salem operate better.

According to silk societies, a minimum fair return of around 20% is earned. Though silk co-operatives are not interested in generating a profit, they must

continue to produce and sell silk, and hence this return on investment ensures their survival in this industry. Furthermore, it is clear that materials and labour account for up to 85% of the overall cost of manufacturing. As a result, a good materials management and labour management system will almost certainly result in a significant decrease in production costs.

This facility would undoubtedly boost the district's overall industry output. Considering the importance of the silk handloom sector to the Salem area silk weavers' income.

5.3 Conclusion:

Silk handloom is an environmentally friendly sector that is primarily supported by drawing an agro-product mulberry cocoons - as an input has enormous potential to considerably enhance the district's economy. The report concludes with the following recommendations for the district's silk handloom industry's future development.

Weavers working under the cooperative umbrella will be weeded out, and real co-operative societies will be found and supplied with the inputs needed to give labour for 300 days a year. The government has launched a campaign to eliminate joblessness in the salem silk handloom business. Committees have been constituted to inspect saree-producing factories as part of this campaign. Some loom owners have been told that they must use their loom space. To prevent the employment of child labour, the government has created equipment that acts as a helper.

Most of the silk reeling units have become sick and closed and are not engaged in processing of raw silk for the past four years. Efforts may be made by the Government to revive the sick units which are under the State

control. This goes a long way in the Development of Sericulture and Silk handloom industry in the salem district.

5.4 Reference:

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